



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

November 24, 2009

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From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

This memorandum contains a report on the Senate Health Committee hearing on the renewal of the State's Medicaid Hospital Finance Waiver, and the Governor's Executive Order establishing the California State Advisory Council on Early Childhood Education and Care.

Senate Health Committee Holds Hearing on the Next Medicaid Waiver

On November 18, 2009, the Senate Health Committee held an informational hearing entitled: "Redesigning California's Medi-Cal Program - Examining the Potential for Cost Savings and Program Improvements." Representatives from the State Department of Health Care Services (SDHCS), the Legislative Analyst's Office, the California Hospital Association, the California Public Hospital Association, and the Service Employees International Union were among those who testified at the hearing.

The existing Medicaid Waiver, which restructured State's hospital financing system, expires on August 31, 2010. SDHCS is currently working with stakeholders to develop the Waiver renewal request and Senate Health Committee Chair Elaine Alquist indicated that the goal of the hearing was to hear from the Administration regarding the recently released Waiver concept paper prepared by SDHCS, and to better understand the role of the stakeholders. The concept paper identifies four initiatives: 1) promote organized delivery systems of care; 2) strengthen and expand the health care safety net; 3) implement value-based purchasing strategies; and 4) enhance the delivery system to prepare for national health care reform.

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State Department of Health Care Services Director, David Maxwell-Jolly, indicated the next Waiver is aimed at achieving savings in the Medi-Cal Program, while providing beneficiaries with coordinated care and better health outcomes, especially for seniors and persons with disabilities. Stakeholders testified that the Waiver renewal request should include the following elements:

- provide for adequate provider rates;
- expand coverage for low-income individuals, especially childless adults;
- streamline Medi-Cal enrollment;
- strengthen and support the safety net for public hospitals and other Disproportionate Share Hospitals;
- promote better access to care;
- allow for cost increases in the Medi-Cal Program; and
- reform the delivery of services through the establishment and/or further development of medical homes and coordinated care, especially for individuals with mental illness.

The Legislature is expected to convene additional hearings on this issue in the coming months.

Governor's Executive Order to Establish the California State Advisory Council on Early Childhood Education and Care

On November 9, 2009, Governor Schwarzenegger issued Executive Order S-23-09 to establish the California State Advisory Council on Early Childhood Education and Care. The Council is the initial step to allow California to compete for its share of the \$100 million in Federal Head Start funds available through the American Recovery and Reinvestment Act (ARRA). The Federal Improving Head Start for School Readiness Act of 2007 requires states to establish advisory councils in order to receive grants designed to increase collaboration among early childhood education providers.

The Council is charged with making recommendations for developing a statewide plan to maximize the use of Federal funds, identify opportunities for collaboration and coordination among early childhood programs, increase participation of children in underrepresented and special populations, provide enhancements for the professional development of early educators, and improve early learning standards. The Council will be responsible for submitting an application for the ARRA Head Start Funding on behalf of the State by August 1, 2010.

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The Office of Child Care indicates that the Council's recommendations are likely to affect the availability and quality of early care and education for children and families across the State and could potentially help sustain the Steps to Excellence Project, which is the County's quality rating and support system.

We will continue to keep you advised.

WTF:RA
MR:VE:er

c: All Department Heads
Legislative Strategist
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